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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C.

My dear Mr. Speaker:

There is forwarded herewith a draft of legislation "To amend further the Federal Employees' Compensation Act, as amended".

Purpose of the Legislation: The purpose of this proposed legislation is to extend to direct-hire civilian employees of the United States benefits similar to those already granted by the government to employees of contractors, persons engaged by contract and employees of post exchanges and ships service stores with respect to disability or death resulting from war risk hazards.

Until several months after United States entry into World War II, no basis had been provided for compensating individuals or their dependents for death, injury or detention resulting solely from the hazard of being exposed to the hostile acts of an enemy. Following the invasion and subjection of Pacific bases by Japan, the matter of compensating the dependents of more than 1200 contractors' employees who had been stationed on Guam, Wake and in the Philippines became acute and the Congress enacted the act of December 2, 1942 (ch. 668, 56 Stat. 1028), hereinafter referred to as the War Risk Hazards Act. Under that statute, the groups enumerated above (except direct-hire civilian employees of the United States), were given 24-hour coverage against enumerated hazards. In form and for purposes of administration, the act is an extension of the Employees' Compensation Act to cover certain named groups for war risk hazards.

War risk coverage for direct-hire personnel was not included in this act and its legislative history does not indicate that such action was ever contemplated. Presumably this was due to the fact that the immediate purpose of the War Risk Hazards Act was to give detention benefits to interned contractor personnel. As a result, therefore, contractors' employees, independent personal service contractors, and exchange employees received the benefits described above for disability, death or detention arising from war risk. Direct-hire employees at overseas bases are given adequate benefits for periods of detention by an enemy by virtue of having been included under the Missing Persons Act, but receive no compensation for disability or death unless found to be in the performance of duty when injury was sustained. The only recourse in the latter case lay in filing a claim with the Bureau of Employees' Compensation. It is known that the Bureau applied a very liberal standard in adjudicating such cases and was generally able to find some basis for holding the individual in performance of duty when injury

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or death resulted from enemy action. The fact remains, however, that in the absence of statutory authority for blanket 24-hour coverage, each case had to be examined individually on its own particular facts and the Departments were never able to extend categorical assurance to new employees that the government would reimburse them or their dependents for disability or death arising from a war risk hazard. In a letter dated November 10, 1950, the Bureau has reaffirmed its previous views in this matter, indicating that blanket coverage is not possible under present law and that each individual claim must be considered in the light of the facts presented.

It is fairly obvious that a major factor in recruiting competent personnel for overseas duty is the protection offered for unusual risk of life or limb. This concern over physical safety remains strong as the result of the fate suffered by civilians employed at Pearl Harbor, Guam, Wake Island and the Philippines. That experience was not repeated in Korea, but the existence of actual hostilities has emphasized the threat to well-being which prevails in many areas. The present position of the United States in international affairs will require that its servants be exposed to the hazards of such outbursts in almost every sector of the world for an undetermined period. Persons of the caliber needed will not risk their own safety or the welfare of their dependents unless assurance can be given that the United States will assume some of the economic burden involved in that risk.

War risk hazard benefits for civilians can be justified most reasonably on the same theory that supports industrial workmen's compensation in general. That is, the employer should bear a substantial part of the economic burden of industrial accident since his interests were being served and the employee was placed in a hazardous position which he would not otherwise have occupied had it not been for his employment. The present policy of the Federal government as an employer in this regard is embodied in the Federal Employees' Compensation Act, as amended most recently in 1949. If legislation were enacted to make that act applicable to war risk hazards as well as injuries suffered during performance of duty, benefits to the individual for disability or detention would be computed at 66 2/3% of basic compensation with an additional 8 1/3% added if the employee has one or more dependents. Surviving dependents of those who die as the result of such hazards would receive benefits as prescribed in the act, varying with relationship and degree of dependency from 25% to a wholly dependent parent to 75% to a widow with three or more minor children. All benefit formulae under the act are subject to a maximum limit of \$525 per month, but continue indefinitely until (1) there has been recovery from disability, or (2) in the case of death, dependency ceases through death, remarriage, or reaching majority. The benefit formulae under the amended act are now sufficiently liberal to meet the recruitment needs of the military departments. Their extension to cover war risk hazards for civilian employees of the United States is readily available to meet the needs outlined above.

Legislative References: There are no bills now before the Congress relating to this subject and none was considered by the 81st Congress.

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Cost and Budget Data: The fiscal implications of this proposal cannot be estimated accurately since its operation will depend entirely upon contingencies which cannot be forecase. If, as has been the happy experience to date in Korea, civilian personnel serving with the armed forces do not become casualties, then the proposal will cost nothing. On the other hand, civil war or armed invasion affecting such populous areas (from the standpoint of Federal employment) as Japan or Western Germany would involve very substantial cost in the form of benefit payments to beneficiaries of the legislation. World War II experience offers little basis for comparison because of differences in the distribution of personnel geographically, generally higher rates of pay upon which benefits would be computed, and lack of data as to how many cases were ruled compensable under the basic Federal Employees' Compensation Act for injury or death resulting from hostile action of enemy forces. In this respect, it should be emphasized that the primary purpose and effect of this proposal is to secure certainty of coverage, rather than liberalization of benefits.

Department of Defense Action Agency: The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

Marx Lova

Inclosure

Honorable Sam Rayburn  
Speaker of the House of Representatives

DRAFT

A BILL

To amend further the Federal Employees' Compensation Act, as amended.

1     Be it enacted by the Senate and House of Representatives of the  
2     United States of America in Congress assembled, That Subsection (g) of  
3     Section 40 of the Federal Employees' Compensation Act (c. 458, 39 Stat.  
4     750), as amended (5 U.S.C. 790(g)), is hereby further amended to read  
5     as follows:

6             "(g) The term "injury" includes, in addition to injury by  
7     accident while in performance of duty (1) disease proximately  
8     caused by the employment, and (2) injury resulting from a war-  
9     risk hazard as defined in section 201(b) of the act of December  
10    2, 1942 (56 Stat. 1033), as amended, incurred by a person covered  
11    by this act while serving outside the continental limits of the  
12    United States or in Alaska during any war in which the United  
13    States may be engaged or as the result of armed hostilities against  
14    the United States or within the borders of any nation wherein such  
15    person may be serving: Provided, That compensation for disability  
16    or death arising out of a war-risk hazard shall not be paid to any  
17    person whose residence is at or in the vicinity of his place of  
18    employment and who is not living there solely by virtue of the  
19    exigencies of his employment, unless the injury is suffered while  
20    actually engaged in the course of employment."

21    Sec. 2. The amendments made by the first section of this Act to the  
22    definition of the term "injury" contained in section 40 of the Federal  
23    Employees' Compensation Act shall apply only to injuries occurring on or  
24    after the effective date hereof.

DRAFT

Missing Persons Act,  
General Revision - OSD #42  
ABJ/71291/suj

Dear Mr. Speaker:

There is forwarded herewith a draft of proposed legislation "To amend the Missing Persons Act, as amended".

This proposal is a part of the Department of Defense Legislative Program for 1952 and it has been approved by the Bureau of the Budget. The Department of Defense recommends that it be enacted by the Congress.

#### Purpose of the Legislation

The present proposal would revise the Missing Persons Act, as amended (50 U.S.C. App. 1001 et seq.), and would provide permanent authority for executive heads of military and other Governmental departments to continue payment of the pay and allowances of military and civilian personnel during periods of absence from their posts of duty in a casualty or missing status, to initiate and discontinue allowances of dependents of such personnel, and to make presumptive findings of death and other determinations under appropriate circumstances.

At the outbreak of hostilities in World War II there was no law which authorized the services to make adequate provision for the dependents of certain categories of persons who for various causes were placed in a missing status. The lack of such legislation during the early months of that emergency not only subjected the dependents to realistic hardship but also confronted the military services with many administrative problems in an attempt adequately and equitably to minister to their needs.

In order to correct this condition the Congress enacted the Missing Persons Act of March 7, 1942 (56 Stat. 143), and the services operated under that law until it was abrogated by Section 3 of the Act of July 25, 1947 (61 Stat. 451). It was realized, however, that there was a continued need for legislation of this type because of the mounting tension throughout the world and the increasing number of international incidents which involved mysterious disappearances or detention of individuals at the will of an unfriendly power or hostile minority; large numbers of civilians as well as military personnel continued to serve within or in the near vicinity of those troubled areas.

Consequently, such legislation was revived by subsection 4 (e) of the Selective Service Act of 1948 (62 Stat. 608). In enacting the Universal Military Training and Service Act, Public Law 51, 82nd Congress (which is in fact an amendment to the Selective Service Act of 1948), the Congress made no change in subsection 4 (e), *supra*. It is believed that legislation of this type is necessary to meet the present demands of the international situation and would be essential immediately in the event of war; and that such legislation should be of a permanent nature, because the present Act will expire one year subsequent to the ratification of treaties with Germany, Italy and Japan. It is highly essential that we at this time safeguard for the future.

The attached draft of bill is designed to accomplish the following purposes:

- a. To amend subsection 1 (a) (3) of the Missing Persons Act, as amended, in order to assure coverage of the persons employed within the continental United States when their casualty status arises out of performance of duty; to provide that full coverage on a twenty-four hour basis is retained for those employees in overseas areas who are residents of the area and have been placed in a hazardous position by virtue of living there solely for employment purposes; to provide such coverage regardless of whether the employees are full-time, part-time, temporary or intermittent; and to provide that natives or residents of overseas locations are excluded from benefits of the Act unless there was a direct connection between their casualty status and their employment.
- b. To amend Section 12 of the Act to authorize the movement of household goods and personal effects, including privately owned automobiles, of individuals who come within the provisions of the Act, but who have no dependents.
- c. To amend Section 15 of the Act to eliminate reference to its termination date, thereby creating permanent legislation.
- d. To add a new Section 20 to the Act so as to authorize the use of appropriations currently available in the settlement of any claims, rather than the utilization of appropriations retroactively to the year in which the claim originated.

#### Legislative References

There has been no related legislation before the Congress, except H.R. 1199, which became Public Law 131, 82nd Congress. That law amended Section 12 of the Missing Persons Act so as to authorize the transportation of household goods and personal effects, including automobiles, belong to personnel in a missing status, such transportation to be made upon the approved application of a dependent. Section 12, if amended as proposed by the attached draft of bill, would authorize such transportation in cases where the member had no dependents.

#### Cost and Budget Data

Enactment of the proposed legislation would result in the relatively negligible expenditure of public funds during peacetime. It would be most conjectural to approximate the fiscal effects during a period of war.

#### Department of Defense Action Agency

The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

Sincerely,

Approved For Release 2003/03/06 : CIA-RDP80-01826R000400100033-5

Daniel K. Edwards

Honorable Samuel Rayburn

D R A F T

A BILL

To amend the Missing Persons Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Missing Persons Act (56 Stat. 143), as amended (50 U.S.C. App. 1001 et seq.), is further amended by changing subsection (a) (3) of section 1 thereof to read as follows:

"(3) civilian officers and employees of the departments, except that persons employed within the continental limits of the United States and persons who are residents of their places of employment in the territories and possessions or in foreign countries shall be included only upon a determination by the head of the department concerned that the status of missing, missing in action, interned in a neutral country, captured by an enemy, beleaguered or besieged, within the meaning of section 2 of this Act, was the proximate result of employment by the department."

SEC. 2. That section 12 of such Act as amended, is further amended to read as follows:

"The dependents and household and personal effects of any person in active service (without regard to pay grade) who is officially reported as dead, injured, missing for a period of 30 days or more, interned in a neutral country, or captured by the enemy, may be moved (including packing and unpacking of household effects) to the official residence of record for any such person, or, upon application by such dependents, to such other location as may be determined in advance or subsequently approved by the head of the department concerned or by such persons as he may



designate. The cost of such transportation, including packing and unpacking of household effects, shall be charged against appropriations currently available. In lieu of transportation authorized by this section for dependents, the head of the department concerned may authorize the payment in money of amounts equal to such commercial transportation costs for the whole or such part of travel for which transportation in kind is not furnished, when such travel shall have been completed. When the person is in an "injured" status, the movement of dependents or household and personal effects provided for herein may be authorized only in cases where the anticipated period of hospitalization or treatment will be of prolonged duration. No transportation shall be authorized pursuant to this section upon application by dependents unless a reasonable relationship exists between the condition and circumstances of the dependents and the destination to which transportation is requested. Beginning June 25, 1950, and for the purposes of this section only, the terms "household and personal effects" and "household effects" may include, in addition to other authorized weight allowances, not to exceed one privately owned motor vehicle, shipment of which at Government expense is authorized in those cases where the vehicle is located outside the continental limits of the United States or in Alaska."

SEC. 3. That section 15 of such Act is amended to read as follows:

"SEC 15. This Act, except sections 13, 16, 17, and 18, shall be effective from September 8, 1939."

SEC. 4. That such Act is amended by adding at the end thereof a new section to read as follows:

"SEC 20. Any payments made under the provision of this Act are authorized to be paid from appropriations currently available."

SEC. 5. The foregoing amendments shall be effective from the date of

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approval of this Act.



#### 14. INCENTIVE AWARDS PROGRAM

##### A. Purpose

The purpose of the incentive awards program is to encourage greater employee participation in the development of improvements in all phases of the operations of CIA by appropriately recognizing and rewarding such contributions.

##### B. General Standards and Criteria.

###### (1) Awards for Savings.

- (a) Cash awards will generally be used to reward employees for suggestions or performance resulting in savings.
- (b) Honor awards will be used to supplement monetary awards and to confer recognition in instances where a cash award cannot be granted because of ineligibility of the employee.
- (c) An award for savings may be granted by the Efficiency Awards Committee whenever it is satisfied that the estimated savings will be achieved, except that efficiency awards may be granted only when experience with the improved operation is sufficient to satisfy the Committee that the savings will be achieved.

###### (2) Awards Where Savings Are Not Involved.

- (a) Honor awards will generally be used to give recognition for performance, the value of which is not measurable in monetary terms.
- (b) Cash awards, commensurate with the benefits anticipated, may be granted for adopted suggestions which exceed the normal requirements of an employee's position and result in improvements not identifiable as savings.
- (c) A one-step salary increase for superior accomplishment may be granted for an outstanding achievement in the discharge of assigned duties and responsibilities that does not result in savings but is of the nature that it deserves such monetary recognition.

###### (3) Group Awards.

Where contribution to the improvement has been made by more than one employee or by a group of employees, all employees contributing, including supervisors, may share efficiency awards, cash awards for suggestions or honor awards, if they are otherwise eligible.

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Such grants may be in equal share or in proportion to the contribution of each employee or in accordance with such other criteria as apply. The total amount of a shared or group award may not exceed the amount authorized for that type of award. One-step increases for superior accomplishment may not be shared, but there is no limit on the number of employees who may be granted such awards if each meets the standards.

Awards for efficiency may be made in the form of cash awards of varying amounts or step-increases up to three steps to reward each employee in a group in proportion to his contribution to the group achievement, subject to limitations regarding the maximum amount of award.

(4) Duplicate Awards.

No two employees may be given cash or salary increase awards for the same improvement, except in a shared or group award. Nor may an employee be given two awards for the same achievement except that:

- (a) Honor awards may be granted in addition to monetary awards, where appropriate.
- (b) Whenever the actual first-year savings are sufficiently greater than the estimate of savings on which the original award was based, supplementary awards of the same type may be made, subject to limitations as to maximum amounts.

C. Awards For Efficiency -- Cash or Salary Increase.

(1) Basis.

Efficiency awards, in the form of cash awards or salary increases, may be granted for savings accomplished by employees in the conduct of their own operations either as a result of a suggestion or personal accomplishment. However, there must be demonstrable dollar savings based on actual experience over a period of time.

- (a) Evaluation. For the purpose of granting awards based on estimated savings, savings shall ordinarily be evaluated in terms of demonstrable net dollar economy in the first full year of operation. When substantial non-recurring cost is involved in the installation of an improvement which will be useful for a number of years, and if computation of the award on the basis of net first-year savings would result in inadequate reward, the award may be made on the basis of estimated average annual net savings over a period of years.
- (b) Demonstration of Savings. Dollar savings may be demonstrated in terms of the following:

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1. Lower unit cost on the same or smaller measurable production, i. e., lower operating cost, or
2. Lower unit cost on increased volume of production, i. e., handling increased measurable volume for the same operating cost.

However, such reductions in unit cost shall not be considered savings if they are the result of outside factors, such as less complex work items being received, or are the result of or result in less effective operations or poorer quality production or service. In the case of lower unit cost on increased volume of production, the amount of decrease in unit cost must be greater than that which could normally be expected as a result of increased volume.

- (c) Accounting for Savings. All savings must be accounted for either by:
  1. Appropriations savings, or
  2. Increased output at the same cost, or
  3. Application of resources saved to some other necessary activity.

(2) Standards and Criteria.

- (a) Insofar as possible, the monetary value of an efficiency award to an employee should correspond with the amount of cash award which could be made for a suggestion which effects comparable savings.
- (b) Salary increases will generally be used for efficiency awards only when savings are so great that limitations on the amount of cash awards would result in inadequate reward to the employee.
- (c) All employees will be treated equally in granting of awards, regardless of their grades or positions in the organization, i. e., the amount of award will be based on the savings to the Government--not on the employee's grade or position. In order to maintain such equity, it is necessary to provide flexibility in the application of step increases depending upon the employee's grade. In a group award, the amount of award to each individual will be determined by the contribution of each individual in relation to the total savings.
- (d) An efficiency award may be granted only when experience with the improved operation is sufficient to satisfy the Efficiency Awards Committee that the savings will be achieved.

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- (e) Where the cost of initial installation for the improved operation is great, it may be pro-rated over two or more years, as applicable, in determining the net annual savings.
- (f) The development of standards for measuring unit costs is the responsibility of the Division and Office Chiefs concerned. These Division and Office Chiefs are also responsible for providing adequate production and personnel data concerning their operations to serve as a basis for award recommendations.

(3) Limitation on Awards

The total of cash grants and salary increases (annual rate) for efficiency awards may not exceed 25 per cent of the estimated savings for the first year. An award to an individual may not exceed a salary increase of three steps in the individual's grade, or cash award equivalent to three steps in the individual's grade.

D. Cash Awards For Suggestions.

(1) Basis.

For the purpose of this program, a suggestion is any constructive proposal made outside the normal requirements of an employee's position which result in improvement or economy in operations by way of monetary savings, increased efficiency, conservation of property, improved employee-working conditions or better service.

(2) Adoption.

A suggestion must be adopted before an award may be granted. Adoption occurs when an authorized official orders an action to be taken as a direct or indirect result of evaluation of a suggestion. It is not necessary that a suggestion be adopted completely as presented. If beneficial use is made of a suggestion, in whole or in part, directly or indirectly, recognition may be given and a cash award made if the suggester is otherwise eligible.

(3) Adoption Period.

No award will be paid to any employee for any suggestion which is not adopted for use within 2 years from the date the suggestion was received, unless the time is extended by the Efficiency Awards Committee before the expiration of the 2-year period, or the suggestion is resubmitted by the employee at the expiration of the 2-year period, provided that the total period shall not exceed 5 years from the date of original submission.

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(4) Standards and Criteria.

- (a) Tangible Savings - Where an adopted suggestion will result or has resulted in monetary savings, the amount of the award will be based on the amount of the annual estimated savings in the first year of operation in accordance with the following table, unless the Deputy Director (Administration) determines a different amount is justified.

ANNUAL SAVINGS

CASH AWARDS

\$1	\$ 1,000	\$10 for each \$200 of savings with a minimum of \$10 for any adopted suggestion.
\$ 1,000 - \$ 10,000		\$50 for the first \$1,000 of savings and \$25 for each additional \$1,000 of savings.
\$ 10,000 - \$100,000		\$275 for the first \$10,000 of savings and \$50 for each additional \$10,000 of savings.
\$100,000 - or more		\$725 for the first \$100,000 of savings and \$100 for each additional \$100,000 of savings provided that the maximum award for any one suggestion shall not exceed \$1,000.

- (b) Intangible Benefits. Suggestions of value, which cannot be measured in specific money savings terms, will be evaluated on their merits and appropriate awards will be made commensurate with anticipated benefits.

(5) Limitations on Awards.

The total of all cash awards for suggestions granted by the CIA during one fiscal year may not exceed \$25,000. The maximum for any one suggestion is \$1,000, the minimum, \$10.

E. Salary Increases For Superior Accomplishments.

(1) Basis.

In order to serve as the basis for the award of an additional step-increase, the accomplishment of an employee must meet one of the following tests:

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- (a) All aspects of performance not only exceed normal requirements but also are outstanding and deserving of special commendation;
- (b) Sustained work performance, for a period of at least three months of such a nature that it merits special recognition for superior accomplishment over and above the normal requirements of the employee's position, provided that his current performance rating is not less than "Satisfactory";
- (c) Initiation of an idea, method or device, which has been developed and adopted because it is expected to improve the public service or provide for more economical operation in the public interest; or
- (d) A special act or service in the public interest, related to official employment, over and above normal position requirements, of an unusual or distinctive character, where its recognition as a basis for an additional advancement would serve as a definite incentive to others.

(2) Standards and Criteria.

A superior accomplishment step-increase is subject to the following limitations:

- (a) It will be made with reasonable promptness, in no event later than two years after the period of superior accomplishment or service on which the step-increase is based.
- (b) It must be made within the limits of available appropriations.
- (c) No step-increase may be made which would raise the employee's salary above the maximum scheduled rate for his grade.
- (d) No employee is eligible for more than one such step-increase within the time period between normal step-increases for his grade.

F. Honor Awards.

(1) Basis

Honor awards will be granted to individual employees or units for:

- (a) Exceptional or meritorious service.
- (b) Contributions to efficiency and economy.

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(2) Standards and Criteria

(a) Distinguished Service Award

The decoration for distinguished service is the highest form of honorary employee recognition and may be given to those employees or organizational units whose contributions or achievements are of such a nature as to be considered of national or international significance. The following will serve as examples of guides to eligibility:

1. Outstanding service in the conduct or improvement of national security.
2. Major contribution to the safeguarding of the security of the nation.
3. Distinguished creative service.
4. Heroic action.

The individual award will consist of a gold medal and a certificate in a gold lettered portfolio. The unit award will consist of a gold medal and a plaque identifying the unit.

(b) Superior Service Award

The award for superior service may be given to those employees or organizational units whose contributions or achievements are of a wide scope, although they need not be national, and should be of such a nature as to be of unusual value and significantly beyond that ordinarily expected. The following will serve as examples:

1. Superior service in the conduct or improvement of national security.
2. Notable contribution to the safeguarding of the security of the nation.
3. Superior service of a creative nature.
4. Unusual courage.

The individual award will consist of a silver medal and a certificate in a silver lettered portfolio. The unit award will consist of a silver medal and a plaque identifying the unit.

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(c) Commendable Service Award

The award for commendable service may be given to those employees or organizational units whose contributions or achievements, although they may have been limited in scope, are significant in that they were meritoriously performed and were over and above normal position requirements. The following will serve as examples:

1. Meritorious service in the conduct or improvement of national security.
2. Worthy contribution to the safeguarding of the security of the nation.
3. Worthy contribution to efficiency, improved management or demonstrated outstanding executive or technical ability.

The individual award will consist of a bronze medal and a certificate in a bronze-lettered, leather portfolio. The unit award will consist of a bronze medal and a plaque identifying the unit.

(d) Certificate of Appreciation

A certificate of appreciation will be awarded in each of the following cases:

1. To each individual who, though otherwise eligible, cannot be granted a monetary award because of personal ineligibility.
2. In addition to the monetary award for efficiency or superior accomplishment.
3. For each suggestion adopted and for which a cash award is made.
4. At the discretion of the Committee, for suggestions not meriting a cash award, such as:
  - a. A constructive suggestion which cannot be adopted because of lack of funds or other practical reasons;

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- b. A constructive suggestion which cannot be adopted because it is already in effect or is being considered, and
- c. A suggestion which is adopted but is of slight significance and does not merit a cash award.

G. Eligibility

- (1) Efficiency awards and superior accomplishment awards authorized by C and E respectively of this regulation, are limited to civilian-graded employees who are compensated on a per annum basis.
- (2) Honorary awards and cash awards for suggestion, authorized by D and F of this regulation, are available to all civilian employees.
- (3) Former employees, or if deceased, their estates, and employees who have been transferred to other departments and agencies, if they meet all other requirements, are eligible for incentive awards, excluding salary increases, which could be granted them for suggestions made and accomplishments achieved while they were in the service of the CIA.

H. Administration of Program.

- (1) There is established herewith an Efficiency Awards Committee which shall be constituted as follows:

Assistant Director (Personnel)	Chairman
(Was Advisor for Management)	Vice-Chairman
Comptroller	Member
Personnel Director	Advisor (without vote)
(Was Personnel Relations Officer)	Secretary (without vote)
- (2) The Committee shall be responsible for the direction and operations of all phases of the incentives award program, including the following:
  - (a) Developing and applying whatever implementing procedures, standards and measures are necessary to assure the effective execution of this Program and participation therein.
  - (b) Coordinating the procedural processing of suggestions and proposals for awards, including when necessary the obtaining of additional data and/or the conduct of hearings.

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- (c) Holding meetings on the call of the Chairman to discuss and make decisions on proposals submitted for consideration.
  - (d) Determining the type of award which is best suited to give the proper recognition and remuneration for each recommendation approved.
  - (e) Making final grants of monetary awards in the form of cash or salary increases up to an amount or equivalent of \$ \_\_\_\_\_. All monetary awards in excess thereof will be granted upon the recommendation of the Committee with the approval of the Deputy Director (Administration).
  - (f) Approving, or making recommendations for, Certificates of Appreciation, where appropriate.
  - (g) Granting, with the approval of the Deputy Director (Administration), Distinguished, Superior and Commendable Service Awards.
  - (h) Determining, with the approval of the Deputy Director (Administration), the design of the medals and certificates to be awarded within the scope of F. (2) (a), (b) and (c) of this regulation.
  - (i) Publicizing awards and conducting appropriate presentation ceremonies to the extent permitted by security considerations.
- (3) The Secretary of the Committee, in addition to his regular CIA duties, shall be primarily responsible for the processing of all proposals for awards and the necessary stenographic, clerical and record keeping functions required in the administration of this Program. Also, consistent with security considerations, he shall prepare and submit reports on the operations of the awards program to the Bureau of the Budget and the Civil Service Commission in accordance with their respective reporting provisions. The Chairman of the Committee may designate additional personnel to assist the Secretary in this work.
- (4) The responsibilities of all administrative and supervisory officials in the operation of the incentive awards program shall include:

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- (a) The "Employee Suggestion Form" (Form No. 37-146) will be used for the submission of all suggestions, and these forms will be made available directly to the Secretary of the Efficiency Awards Committee or through supervisory channels.
  - (b) When a supervisor receives a suggestion relating to work for which he has responsibility, he should make an appraisal before referring the suggestion to the Secretary of the Efficiency Awards Committee. Otherwise, the referral will be made immediately without evaluation.
  - (c) Upon receipt of a suggestion the Secretary of the Efficiency Awards Committee will assign it a number. The stub of the suggestion form which contains the employee's name will be removed by the Secretary and placed in a pending file.
  - (d) The Secretary will determine the appropriate operating official or officials to whom the remaining part of the suggestion form should be sent for evaluation and will forward the form to such official or officials.
  - (e) The appraising official will determine whether the plan has merit and can be adopted immediately or within a reasonable time. In meritorious cases, he will determine the value of the savings involved, or where no dollar savings can be determined, he will evaluate the other benefits to be expected. A memorandum of appraisal incorporating action taken or planned, together with the suggestion form will be forwarded to the Secretary. If the suggestion is rejected, the memorandum will state the reasons therefor.
- (2) Awards Not Based on Suggestions
- (a) Any supervisor may nominate through normal supervisory channels any individual or unit for an efficiency, superior accomplishment or honor award not based on a suggestion.
  - (b) The recommendations must be in writing and well documented in accordance with the standards established for each type of award.
  - (c) The head of the organizational unit concerned will review the recommendation, and, if he approves it, will forward the recommendation to the Secretary of the Committee on Efficiency Awards.

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- (d) Recommendations may be submitted at any time.
- (3) Memoranda to suggestors and recommending officers shall be prepared by the Secretary, informing them of the official actions taken by the Committee, including for rejections the reasons therefor. A copy of each memorandum will be sent to the Personnel Office for inclusion in the appropriate personnel folder.

J. Payment of Awards

- (1) Payment of cash awards will be made from the appropriation or fund for the activity which is primarily benefited. Where it is determined that no one activity is primarily benefited, the award will be charged on a percentage basis against the activities benefiting in accordance with determinations made by the Efficiency Awards Committee with the approval of the Deputy Director (Administration). Salary increases for efficiency or for superior accomplishment will be charged against the appropriation used to pay the employee's salary. If the granting of a cash award or salary increase would necessitate a supplemental appropriation, the award will not be paid pending application through the normal channels for, and the granting of authority to submit a supplemental estimate. In no instance will the granting of cash awards or salary increases be construed as authority to incur a deficiency in the applicable appropriations.
- (2) After appropriate determinations have been made, the Secretary will initiate the documents required to effect payments and act as approving officer for such payments.
- (3) A cash award is considered to be additional compensation and is not a part of the employee's basic pay. It is subject to withholding tax, but not to retirement deductions. Acceptance of cash awards for meritorious suggestion will be a full release to the United States from any and all claims by the employee, his heirs or assigns for the use of such suggestion.